



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

***Hearing on China's Military Modernization and its Impacts on the United States and
the Asia-Pacific***

**Opening Statement of
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Co-chair**

**March 29, 2007
Washington, DC**

Thank you, Mister Vice Chairman. Good morning and welcome. The purpose of this hearing is to examine China's military modernization using the U.S. Department of Defense's 2006 Quadrennial Defense Review or QDR as a framework. The QDR highlights four vectors or war scenarios that the Defense Department is concerned about: irregular warfare, catastrophic warfare, traditional warfare, and disruptive warfare.

Of those four vectors, China is the only country in the world that has the potential to threaten the United States in three, and is developing its abilities in the fourth. Let me briefly review the ways that China has the potential to threaten us in these domains.

To the surprise of some, China already employs a number of the softer forms of irregular warfare. It leverages international law to constrain U.S. actions internationally; it conducts perception management operations in order to manipulate international opinion to strengthen its position vis-à-vis the United States and other nations; and it probes the cyber defenses of important military and economic centers for their vulnerabilities in the U.S. and elsewhere.

China's capacity for traditional war has received perhaps the greatest attention by scholars and the media. China's broad-sweeping modernization program, begun in 1993, continues to enhance its capabilities for power projection, joint operations, and sea denial and control. It also has improved its command and control systems by completing redundant communications nodes, introducing data links on aircraft and ships, and acquiring airborne early warning aircraft. A brief examination of China's acquisitions over the last five years reveals some remarkable numbers: the PLA has added to its arsenal 20 attack submarines of both conventional and nuclear-powered variants, 13 major surface combatants, more than 120 fourth generation fighter aircraft, hundreds of short-range ballistic and cruise missiles, and numerous amphibious assault craft.

All of these improvements have had an adverse effect on the balance of power across the Taiwan Strait. As we state in our 2006 Annual Report, “The cross-Strait military balance of power currently substantially favors the mainland...In an all-out conflict between the two, Taiwan, if relying only on its own capabilities, would be unable to prevent China from ultimately realizing its objectives.”

China recognizes Taiwan will only be able to withstand a Chinese blockade or invasion if it is assisted by the United States and its allies. This accounts for its heavy investment in submarines, ballistic and cruise missiles, naval strike aircraft, and other systems that not only would destroy Taiwan’s forces but also would deter – and, if this fails, delay or prevent the arrival of – an intervening force. If China can keep intervening forces at a distance, rendering them ineffective for a period of weeks, this may be sufficient for China to achieve its aims.

Tomorrow’s panels will address China’s capacity for disrupting United States command, control networks, computer systems, and China’s ambitions in space. The other co-chair for this hearing, my colleague Commissioner William Reinsch, will preside during tomorrow’s panels.

Our three Congressional perspectives this morning come with a range of experience in China-related issues. We all know about the important role the military facilities on Guam play in the U.S. defense structure, so it is a distinct pleasure to welcome Congresswoman Madeleine Bordallo, Delegate from Guam, to this hearing. Congresswoman Bordallo is presently serving her third term in the House and is the first woman to represent Guam in that capacity. She is the new Democratic co-chair with Congressman Forbes on the Congressional China Caucus and serves on the Armed Services Committee’s Subcommittee on Readiness and its Subcommittee on Sea Power and Expeditionary Forces. She also serves on the Natural Resources Committee’s Subcommittee on Fisheries, Wildlife and Oceans, and its Subcommittee on Insular Affairs. Congresswoman, we are pleased to have you with us today.

Also appearing on this panel will be Congressman Tim Ryan, Democrat from the 17th district in Ohio, and Congressman Dana Rohrabacher, Republican from the 46th district in California. Congressman Duncan Hunter of California has submitted a written statement for the record that can be found on the press table which I encourage you to read.

Our second panel this morning will address China’s capacity for irregular warfare. We will hear from Dr. William Schneider, Jr., Chairman of the Defense Science Board here in Washington; Michael Vickers, Senior Vice President for Strategic Studies at the Center for Strategic and Budgetary Assessments also here in Washington; Dr. Derek Reveron, Associate Professor of National Security Affairs at the U.S. Naval War College in Rhode Island; and Dr. Robert Bunker, CEO of Counter-OPFOR Corporation in California.

Our third panel will examine China’s traditional warfare capabilities and will feature Gen. James Cartwright, Commander of U.S. Strategic Command headquartered at Offutt Air

Force Base, Nebraska; Dr. Andrew Erickson, Assistant Professor at the U.S. Naval War College; and Mr. Cortez Cooper, Director of the East Asia Studies Center at Hicks and Associates in Virginia.

Our fourth and final panel today will address the Taiwan Strait military balance, and will include retired RADM Eric McVadon, Director of Asia-Pacific Studies at the Institute for Foreign Policy Analysis in Washington; Dr. Bud Cole, Professor of International History at the National War College in Washington; and Mark Cozad, Senior Defense Intelligence Analyst for China at the Defense Intelligence Agency.

Congresswoman Bordallo, please begin.